

SEP 29 '06

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SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

September 29, 2006

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Net Railcar Lease, dated as of July 25, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC  
885 Second Avenue, 49th Floor  
New York, NY 10017

Lessee: Georgia Power Company  
270 Peachtree Street NW, Suite 2000  
Atlanta Georgia 30303

Mr. Vernon A. Williams  
September 29, 2006  
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A description of the railroad equipment covered by the enclosed document is:

240 hopper railcars: GALX 06681 – GALX 06800 and RWSX 06271 – RWSX 06390.

A short summary of the document to appear in the index is:

Memorandum of Net Railcar Lease.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/sem  
Enclosures

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## MEMORANDUM OF NET RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF NET RAILCAR LEASE dated as of July 25, 2006, to that certain Master Net Railcar Lease dated as of July 25, 2006, and Schedule No. 01 thereto dated as of the same date, between **Babcock & Brown Rail Funding LLC**, a Delaware limited liability company ("Lessor"), and **Georgia Power Company**, a Georgia corporation ("Lessee" and together with Lessor, the "Parties").

## KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into that certain Master Net Railcar Lease and that certain Schedule No. 01 thereto effective as of July 25, 2006 (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties, and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year indicated below.

**BABCOCK & BROWN RAIL FUNDING LLC**, as Lessor

By: 

Name: Jay David Gayner

Title: Vice President

Date: July 26, 2006

**GEORGIA POWER COMPANY**, as Lessee

By: \_\_\_\_\_

Name: Douglas E. Jones

Title: Senior Vice President

Date: July \_\_\_\_, 2006

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year indicated below.

**BABCOCK & BROWN RAIL FUNDING LLC, as Lessor**

By: \_\_\_\_\_

Name:

Title:

Date:

**GEORGIA POWER COMPANY, as Lessee**

By:  \_\_\_\_\_

Name: Douglas E. Jones

Title: Senior Vice President

Date: July 27, 2006

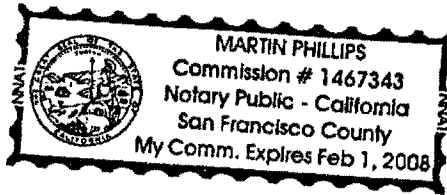
STATE OF CALIFORNIA )  
)  
)  
COUNTY OF SAN FRANCISCO )

SS:

On July 26, 2006, before me, MARTIN PHILLIPS, Notary Public, personally appeared Jay David Gayner, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Martin Phillips



STATE OF GEORGIA )  
)  
)  
COUNTY OF FULTON )

SS:

On July \_\_\_\_\_, 2006, before me, \_\_\_\_\_, Notary Public, personally appeared Douglas E. Jones, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )  
 )  
COUNTY OF \_\_\_\_\_ )

SS:

On \_\_\_\_\_, 2006, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_

STATE OF GEORGIA )  
 )  
 )  
COUNTY OF FULTON )

SS:

On July 27, 2006, before me, Charlotte P. White, Notary Public, personally appeared Douglas E. Jones, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Charlotte P. White

CHARLOTTE P. WHITE  
Notary Public, Fulton County, Georgia  
My Commission Expires Feb. 13, 2009

## EXHIBIT A TO MEMORANDUM OF NET RAILCAR LEASE

<u>Quantity</u>	<u>Car Description</u>	<u>Reporting Marks and Numbers</u>
Two Hundred Forty (240)	RDVI® aluminum open top coal hopper railcars, 286,000 lbs. GRL; AAR Car Type Code K341; built in 2006 by Trinity North American Freight Car, Inc.	GALX 06681-06800, inclusive; and RWSX 06271-06390, inclusive.



**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

9/29/06



\_\_\_\_\_  
Robert W. Alvord